

Message Text

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PAGE 01 MTN GE 06010 291346Z

46

ACTION EB-07

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TAGS: ETRD GATT

SUBJECT: MTN EC PUBLIC AFFAIRS STATEMENT ON SAFEGUARDS

1. THE FOLLOWING IS A TRANSLATION OF AN ARTICLE: "PROGRESS
IN WORK ON SAFEGUARDS: AN EXPLORATORY PHASE" WHICH APPEARED
IN COMMUNAUTES EUROPEEENNES, LETTRES D'INFORMATION DU
BUREAU DE GENEVE, NUMERO 2, 24 JULY 1975:

PROGRESS IN WORK ON SAFEGUARDS: AN EXPLORATORY PHASE
THE SAFEGUARDS GROUP, INSTITUED BY THE TRADE
NEGOTIATIONS COMMITTEE IN ORDER TO EXAMINE THE CURRENT
SYSTEM OF SAFEGUARDS AND TO EVENTUALLY IMPROVE ITS
FUNCTIONING, MET FOR THE SECOND TIME FROM JUNE 30 TO
JULY 4. THE GROUP EXAMINED THE DOCUMENTATION PREPARED
BY THE GATT SECRETARIAT ON THE BASIS OF INFORMATION
FURNISHED BY THE GOVERNMENTS CONCERNING THE VARIOUS
TYPES OF SAFEGUARD MEASURES NOW APPLIED.

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PAGE 02 MTN GE 06010 291346Z

THE EUROPEAN COMMUNITY REMARKED THAT THE SAFEGUARD

MEASURES WHICH IT TAKES ARE IN CONFORMANCE WITH ITS INTERNATIONAL OBLIGATIONS, NOTABLY ARTICLE XIX OF THE GATT.

IN GENERAL HOWEVER, EXPERIENCE SHOWS THAT THE PROCEDURES FORESEEN BY ARTICLE XIX ARE OFTEN RESENTED BY THE CONTRACTING PARTIES AS BEING TOO RESTRICTIVE. BECAUSE OF THIS THEIR APPLICATION BECOMES DIFFICULT AND INFREQUENT AND THERE IS A TENDENCY TO RESORT TO OTHER MEANS.

ONE OF THE GATT STUDIES COVERS A LARGE COLLECTION OF MEASURES CONCERNING THE PRINCIPAL PROVISION OF GATT IN THIS AREA--ARTICLE XIX WHICH PERMITS CONTRACTING PARTIES TO SUSPEND OR MODIFY THEIR OBLIGATIONS IN ORDER TO PROTECT NATIONAL PRODUCERS WHO WUFFER OR ARE THREATNED BY SERIOUS INJURY--AS WELL AS MORE SPECIFIC PROVISIONS SUCH AS ARTICLE XXVIII (RENEGOTIATION OF BOUND TARIFFS), ARTICLES XX AND XXI (EXCEPTIONS FOR REASONS OF SECURITY OR PUBLIC HEALTH, AMONG OTHERS), ARTICLE XVII (STATE TRADING), ETC.

NECESSITY FOR DEFINING THE IDEA OF A SAFEGUARD: RATHER THAN STUDY THE ENTIRETY OF THOSE PROVISIONS WHICH, OUTSIDE OF ARTICLE XIX, AUTHORIZE THE CONTRACTING PARTIES TO INSTITUTE RESTRICTIONS ON TRADE IN CERTAIN SPECIFIC SITUATIONS, THE COMMUNITY CONSIDERS IT WOULD BE MORE OPPORTUNE AT LEAST IN THE FIRST INSTANCE, TO CONCENTRATE ON THE EXAMINATION OF ARTICLE XIX SO AS TO IMPROVE ITS FUNCTIONING. INDEED THE PROGRESS OF WORK ON THE SUBJECT OF SAFEGUARDS IS CAPABLE OF HAVING A DETERMINING INFLUENCE ON THE PROGRESS OF TRADE LIBERALIZATION, PARTICULARLY IN REGARD TO QUANTITATIVE RESTRICTIONS. MOST COUNTRIES ARE INCLINED TO INCREASE THEIR DEGREE OF TRADE LIBERALIZATION TO THE EXTENT THAT SAFEGUARD PROCEDURES GIVE THEM THE POSSIBILITY OF PROTECTING THEIR ECONOMY FROM INJURY WHICH COULD EVENTUALLY RESULT IF TARIFFS AND NONTARIFF BARRIERS ARE LOWERED TOO QUICKLY. AN IMPROVEMENT OF THE INTERNATIONAL SAFEGUARDS SYSTEM IS, THEREFORE, OF PRIMARY IMPORTANCE AT THE PRESENT TIME WHEN WORLD COMMERCE IS PASSING THROUGH A SLOWDOWN PHASE. IMPROVEMENTS COULD BE EXAMINED IN REGARD TO: CRITERIA OF INJURY, THE POSSIBILITY OF A LIMITED OFFICIAL USE

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PAGE 03 MTN GE 06010 291346Z

SELECTIVE APPLICATION OF SAFEGUARD MEASURES, AND THE FLEXIBILITY OF RULES RELATIVE TO COMPENSATION. THESE CHANGES COULD BE OFFSET BY A STRENGTHENING OF INTERNATIONAL CONTROLS."

2. COMMENT: THE READER SHOULD BEAR IN MIND THAT THAT THE ABOVE DOCUMENT IS A PRESS RELEASE AND NOT OFFICIAL COMMUNITY POSITION. HOWEVER, IT CAN BE NOTED THAT IT

DIFFERS FROM OUR UNDERSTANDING OF THE EC POSITION IN
SEVERAL ASPECTS, NONE OF THEM REALLY MAJOR: (1) EC
INTEREST IS PORTRAYED AS CONCENTRATED MORE STRONGLY
ON ARTICLE XIX THAN THEIR RECENT PRESENTATION AT
THE SAFEGUARD MEETINGS WOULD INDICATE; (2) IN RECENT CONVERSATION
HIJZEN MENTIONED TO AMB WALKER ONE OF THE PRINCIPAL QUESTIONS
WAS WHETHER ARTICLE XIX SHOULD BE MADE EASIER TO USE.
THIS PRESS RELEASE DESCRIBES ARTICLE XIX AS TOO
RESTRICTIVE, WITHOUT ANY QUESTION; AND (3) IMPROVEMENT
OF THE SAFEGUARD SYSTEM IS SEEN AS IMPORTANT AT "THE
PRESENT TIME" BECAUSE OF THE RECESSION. MCNAMARA

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